

**MINUTES OF THE
COMMERCE AND WORKFORCE SERVICES
APPROPRIATIONS SUBCOMMITTEE**
Room 110, West Office Building, State Capitol Complex
January 24, 2008

MEMBERS PRESENT: Sen. Jon Greiner, Co-Chairman
Rep. Michael Morley, Co-Chairman
Sen. Karen Mayne
Rep. Sylvia Andersen
Rep. Jim Dunnigan
Rep. Craig Frank
Rep. Lynn Hemingway
Rep. Mark Wheatley
Rep. Larry Wiley

MEMBERS ABSENT: Sen. Mark Madsen
Sen. Wayne Niederhauser

STAFF PRESENT: Danny Schoenfeld, Fiscal Analyst
Karen Mitchell, Committee Secretary

Note: A list of handouts and visitors lists will be filed with committee minutes.

Co-Chair Sen. Greiner called the meeting to order at 2:16 p.m.

Danny Schoenfeld, Fiscal Analyst, presented the Budget Brief for the Department of Alcoholic Beverage Control (DABC). The Department has a budget of \$27 million in operations and has approximately 352 employees. They operate 39 State stores and approximately 100 package agencies.

The Analyst explained the Accountability Detail: Employee Productivity, Profit Transferred to General Fund, and Compliance Visits.

The Analyst recommends: \$471,000 to pay for previously approved bonding projects, \$834,000 for 23 additional full time equivalent employees, \$65,000 for Package Agency increase, \$55,000 for Cost of Living Increases, and \$70,500 for an additional Compliance Officer.

Alcoholic Beverage Control

Dennis Kellen, Director, thanked the Analyst. He expressed hope that the committee would approve the funding amounts as stated.

Mr. Kellen reported that \$2.4 million worth of liquor was sold on New Years Eve 2007 making

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it the largest day of sales in the State.

Mr. Kellen responded to questions from the committee. The Director stated that the Agency will do over \$250 million in sales this year.

A handout was provided by the Governor's Office which gave the Governor's budget recommendations. The committee questioned why the Governor's budget recommendation was larger than the Analyst's budget. Leonard Langford, Director of Finance explained the differences to the committee.

The committee asked what a Compliance Officer is and does. Mr. Kellen explained that a Compliance Officer gets an applicant ready to go before the Commission for consideration of issuing a license. Once the license has been issued the Compliance Officer's job is to keep that licensee in full compliance. There are currently 9 Officers in the Agency.

The committee asked Mr. Kellen if "Alco-Pops" have to be refrigerated. He stated that the "Alco-Pops" that are sold in State stores do not require refrigeration.

Mr. Langford explained to the committee that their budget is appropriated from the sale of products in the State stores. He stated that they have an 86% mark-up on products sold with a \$52 million profit last year.

MOTION: Rep. Hemingway moved to adjourn. The motion passed unanimously. Sen. Greiner adjourned the meeting at 2:55 p.m.

Sen. Jon Greiner, Co-Chair

Rep. Michael Morley, Co-Chair